



Brent

SCHOOLS FORUM

June 2017

Report from the Strategic Director of Children and Young People

For Information

Update on the implementation of the NEG funded 30 hours childcare entitlement

1.0 INTRODUCTION

- 1.1 From September 2017, all 3 and 4 year olds from working families will have a statutory entitlement to 30 hours of free childcare and early education. Implementation and subsequent administration of this entitlement will sit with the local authority as is the case with the existing free early education entitlements for 2, 3 and 4 year olds.
- 1.2 This report provides an update on progress with the planning for the implementation of the extended entitlement including updates on communication and marketing, administration processes and sufficiency of places.

2.0 RECOMMENDATIONS

- 2.1 The Schools Forum is requested to note the contents of this paper as an update from that presented to Schools Forum in December 2016.

3.0 BACKGROUND

- 3.1 The Childcare Act 2016 extends statutory duties on local authorities to secure free childcare for qualifying children. Specifically, section 2 creates a duty on English local authorities to secure the equivalent of 30 hours of free childcare over 38 weeks of the year for qualifying children.
- 3.2 In preparation for the roll-out of the extended entitlement, the Local Authority carried out significant work in 2016, including assessment of likely demand from parents and sufficiency of places, engagement with providers and planning for the administration of the entitlement. Spring Term 2017 saw the publication of the statutory guidance to the extended entitlement, related operational guidance, the template model provider agreement and final decisions around funding rates. These documents provided clarity, both for purposes of finalising processes and for making a decision around delivery of the extended entitlement for those providers who were waiting for their final funding rate.

4.0 DETAIL

4.1 Communication strategy

- 4.1.1 An initial communication group was convened in January 2017 to plan phased introduction of the offer in spring and summer 2017. This group involves Brent Council colleagues from Setting and School Effectiveness service, Inclusion service, Employment service and Children's Centres along with partners from Job Centre Plus and Health. This group will meet again in June 2017 to confirm delivery arrangements and next steps in continuing to communicate the entitlement to families.
- 4.1.2 Engagement with parents around the offer has taken place. Brent Council communications team have scheduled a further series of outreach events. The council website is being updated to reflect the new entitlement. An important strand of communication continues to be through providers who are already offering the 15 hour entitlement to market their increase in offer to 30 hours. There has been a rolling programme of social media and print media communications from the DfE and HMRC from January 2017 onwards to invite parents to use the online eligibility checker to check whether they can access the entitlement in September. The Children and Families Information Service web pages have been updated to reflect the entitlement and changes to application processes as and when these have been confirmed. Information about provider intentions to offer the entitlement were published for families in May 2017.
- 4.1.3 Brent childcare providers have been updated on the developments around the entitlement throughout the year. Brent Headteachers have been briefed through the termly meeting with the Strategic Director. To date, four electronic bulletins exploring 30 hours have been circulated to schools, PVI settings and childminders. The entitlement has also been explored in termly network meetings. The Early Help service has provided input at the termly EYFS leaders network coordinated by the Brent Schools Partnership. We have hosted 3 rounds of business support workshops in preparation for the delivery of the 30 hours offer. 29 childminders (3 of whom attended twice) and one childminding assistant, 40 PVI settings and 16 school settings attended these workshops.
- 4.1.4 In May, a series of four 30 hour launch events were held in the LA and providers from across the sector were invited to attend. 118 settings attended the events with 66 delegates from the private, voluntary and independent sector, 23 from school settings and 29 from childminding settings. Verbal feedback from the launch events was positive. Of the 19 evaluation forms received so far, pre-course knowledge around the 30 hours offer was rated on average at 3.1 out of 5 and this improved to 4.2 out of 5 after the launch events. Attendees identified communicating the 30 hour offer to parents as a key action for them going forward. Launch events were followed by four externally facilitated workshops exploring how all providers can deliver the extended entitlement sustainably.
- 4.1.5 A marketing campaign will take place over the summer through outreach across the borough, publications such as the Brent Magazine and through the local authority's social media channels.
- 4.1.6 Members of the Early Years team have attended both general progress sharing meetings and in depth briefings on different aspects of 30 hours

delivery offered by Childcareworks, who have been commissioned by the DfE to support local authorities with the implementation of the extended entitlement.

4.2 Developing sufficiency

- 4.2.1 In order to assess the numbers of 30 hour places likely to be available in September 2017 and the impact of these on existing 15 hour and two year places, termly surveys have been carried out with providers in the borough. The most recent survey was carried out in April 2017 and from a response of 147 settings who answered 'yes' to providing 30 hour spaces from September 2017, only 95 gave an estimate of the number of places they planned to deliver. Based on these responses, the total expected number of places expected to be available as of September is 1313. As a number of providers have not yet given the numbers they are likely to offer, it is possible that the overall total will be higher.
- 4.2.2 The DfE estimate for the number of children likely to be eligible for the extended entitlement is 1550. The Spring 2017 Census shows that currently 1132 3 and 4 years olds in PVI settings and with childminders are already accessing additional paid hours in the borough and it is likely that these will be converted to 30 hour places.
- 4.2.3 Accurate and up to date vacancy information from providers is a key part of assessing availability of places, but securing this information from providers has been a challenge as despite numerous reminders, only a few providers provide this and on an ad-hoc basis. This will now be included as a requirement in the new provider agreement.
- 4.2.4 A wider mapping exercise of childcare take-up by ward is currently being carried out in order to gain an overview of take-up patterns across the borough and to look at the wards in particular with low take-up to assess what the reasons might be. This information will be used to inform any place planning work and outreach by the team and will also be shared at ward level with providers in that ward.
- 4.2.5 The Local Authority took part in the Early Years Capital Funding bidding rounds launched by the Department for Education in the summer of 2016 and in 2017. It was confirmed that 3 childcare providers in Brent had been successful. These were Roe Green Infant School, Our Lady of Grace Infant School and Wembley Park Montessori. Total capital funding of £1,596,722 was approved.

4.3 Models of delivery

- 4.3.1 Information and views are still being gathered from providers but it is likely that initially the following delivery models will be implemented from September 2017:
 - Standard offer term time 38 weeks [30 hours per week]
 - Stretched offer 1 over 45 weeks [25 hours per week]
 - Stretched offer 2 over 51 weeks [22 hours per week]

- 4.3.2 Based on feedback from parents / carers, it is believed that the stretched offer will be popular as it will address an ongoing challenge of childcare during the school holidays which is currently not covered when the entitlement is being accessed on a term-time only basis.
- 4.3.3 For most providers in the borough, this will be a new way of working and support and training will be offered to them in order that they can adapt their existing systems accordingly. Local Authority administration processes and systems are being modified also as currently only one provider is offering a stretched entitlement and this has been dealt with as an exceptional situation rather than the norm.
- 4.3.4 Work with providers will continue in order to evaluate progress over the first implementation year and adaptation/adjustments will be made to the models based on experience of delivery.

4.4 Administrative processes

- 4.4.1 Planning for administration of the entitlement is being expedited. The published guidance documents have confirmed the changes to this entitlement that has been mooted in terms of flexibility and parents losing the additional hours if a change in employment status takes place. Grace periods have been confirmed, as has the requirement by the Local Authority to audit all voucher codes 6 times a year.
- 4.4.2 The process as proposed and now confirmed by the DfE is set out in Appendix 2 and assumes involvement from parents, providers and the local authority. It relies on the assumption that most parents will have access to the on line checking system and will not only be able to successfully complete an application in order to get their eligibility voucher code, but will also confirm their employment status every three months. A helpline is being made available for parents who do not have access to the on-line checking system.
- 4.4.3 Parents will have to take their voucher code to their provider of choice and the provider will have to check the parent's eligibility. This check will need to be carried out through the Synergy provider portal system which all childcare providers in the borough, including schools, now have access to.
- 4.4.4 A manual process for this administration is also being developed as a fall back in case of system issues / system failure as the 30 hour module is new within the Synergy system and much of the 30 hour functionality will be relatively new at the time of launch of the extended entitlement.
- 4.4.4 There is a requirement to move to more frequent payments based on a termly headcount for providers by 2018. The Local Authority currently pays PVI providers and childminders twice a term and this has proved popular. We will be reviewing this to see what changes, if any, need to be made. .

4.5 Online systems

- 4.5.1 Servelec, the company behind the Synergy database, announced that the 30 hour module had been developed and was available for purchase and installation at the end of 2016.
- 4.5.2 The Department for Education undertook a bidding process whereby local authorities could put forward a bid for grant funding to be used toward a digital

solution for the administration of the 30 hours. Brent put forward a successful bid in January 2017 and were awarded £8,800. This funding was used to purchase the 30 hours module.

- 4.5.3 The module is in the process of being installed and testing will take place over the coming weeks. It is hoped that the system will be live by mid-June 2017.
- 4.5.4 PVI providers are already using this module through the provider portal for submission of their headcount claims and so the addition of the 30 hours module will not change significantly their existing processes. For schools however, there will be additional challenges as they currently submit their head count through termly Census returns on the SIMS database. For purposes of 30 hour delivery they will need access to the Synergy provider portal as that will allow them to access the Electronic Checking Service (ECS) to check the validity of the voucher codes. This will be further explored with schools and the IT department over the coming weeks.
- 4.5.5 Existing schools census return and payment processes are currently being reviewed to determine how best to align PVI and schools processes to ensure smooth running of the administration of the entitlement across all parts of the sector.
- 4.5.6 Training sessions will be offered to all providers on the online systems and the new processes in June/July 2017.

4.6 Partnership project

- 4.6.1 In November 2016, Brent Council coordinated a partnership pilot meeting to bring together settings from across the sector to discuss ways of working in partnership. The pilot began in January and considers ways that settings (including schools, childminders and private, voluntary and independent providers) can work together to share information about vacancies, to develop agreements for parents to access childcare across a variety of settings, and to further consider the implications of the proposed delivery models.
- 4.6.2 Key aims of the pilot:
 - a) Test strategies and processes for effective partnership working.
 - b) Agree and test ways in which information can be shared across settings regarding the 30 hours (including vacancy information).
 - c) Explore shared training opportunities for staff across different provider types.
- 4.6.3 Each setting in the pilot is required to host network meetings in their local area to discuss the practicalities of delivery and consider ways of working in partnership. Over 20 practitioners attended these network sessions in March and May. Attendees commented positively on the new knowledge gained, for example *'Very informal Q&A - personalised for each professional that attended. Informative and accessible.'* 8 respondents identified specific actions around liaising with other providers following on from the meeting with 90% of respondents saying they would welcome further opportunities to network with providers in their local area. The sessions have highlighted the varying levels of information regarding 30 hours in settings across the borough and helped to clarify eligibility criteria, and planning considerations for taking the offer forward. The Local Authority continues to share updates with providers around

next steps and planning for 30 hours and case studies from the pilot settings were included in the recent 30 hours bulletin.

5.0 NEXT STEPS

5.1 Our next steps in the final stage before full roll-out in September 2017 will be as follows:

- a) To finalise administration processes and ensure providers are fully trained before the summer.
- b) To produce new written guidance on eligibility and agreement processes and send to providers before September 2017.
- c) To ensure the new entitlement is marketed throughout the borough from May onwards in order that all parents are aware of the offer.
- d) To ensure that the new provider agreement has been signed by providers before the Summer break. Maintained schools will not be required to sign the provider agreement but will be provided up to date guidance. A way of auditing NEG funding in schools without time consuming processes is being explored.
- e) To plan and deliver briefings to EY co-ordinators and Primary Heads, PVI staff and childminders.
- f) To develop provider support strategies for the first year of implementation.
- g) To develop simple and continuous feedback and evaluation processes by September 2017.
- h) To put in place an ongoing system of assessing sufficiency in order to identify any potential issues in a timely manner.

6.0 RISK ASSESSMENT

Risk	Impact	Mitigation
Childcare providers choose not to offer 30 hour place leaving a shortfall of places to meet anticipated demand.	Eligible families are unable to access what is a statutory entitlement for them.	Substantial work has taken place with early years' settings to help them plan for the extended entitlement. This includes providing funded business support events, cost calculators to help early years' settings plan and testing new approaches including partnership pilots. The projected figures as of date indicate that there should be sufficient places for September 2017, but this will need to be monitored closely to ensure this remains the case for subsequent terms.
There is low take-up of the entitlement despite sufficiency of 30 hour places in the borough.	Sustainability of childcare businesses would be negatively impacted. Families would not be accessing an	A comprehensive marketing and outreach campaign is being planned for the next six months to ensure that both parents and partners are aware of the entitlement and how to access it. The benefits of early

	entitlement that could provide extended early education for their child and support their access to employment .	education will also be promoted. Business support to providers would continue. Work with employers and (JCP etc.) to promote the entitlement as an aid to recruitment and retention
Systems or process failures impacting administration of the entitlement	The LA unable to meet administrative requirements, affecting access to places for eligible children, payments to providers and required audits being carried out.	Back up manual processes have been developed to ensure administration can run smoothly. Monitoring and evaluation processes in place to ensure that ongoing review and feedback takes place, identifying potential issues and addressing these in a timely manner

7.0 STAFFING IMPLICATIONS

- 7.1 As administration of this entitlement sits with the LA, there will be staffing implications. It will be key to use existing staffing capacity effectively and for strong systems and processes to be in place for streamlined administration. Once decisions have been made about the administration of the schools headcount processes, this could further impact on existing staff capacity.

8.0 FINANCIAL IMPLICATIONS

- 8.1 Brent has been funded a provisional £1.8 million for the 7 months of extended entitlement in 2017/18. This would fund access to 15 additional hours for approximately 1,100 children. As this is a new entitlement, it is difficult at this stage to assess what the actual take-up rate may be. Feedback from local parent consultations indicate that this will be a popular entitlement with working parents and this is confirmed by feedback from the pilot authorities who have trialed early rollout. The DfE intend final funding allocations for 2017/18 to be based on child numbers recorded at the January 2018 census, which mitigates the risk of a higher number of children taking up the entitlement leading to a shortage of funding.
- 8.2 Further planning will be required for the 2018/19 financial year. In 2017/18 a disapplication of the regulations has been granted by the Secretary of State to allow some settings to continue to offer 30 hours to children whose parents would qualify for free school meals but who would not meet the working parents criteria. However the letter confirming the disapplication makes clear that this is a transitional arrangement for the 2017/18 academic year only.
- 8.3 The Early Years service will also need to continue to plan so that 95% of Early Years funding is passed through directly to providers from 2018/19
- 8.4 Early Years is supported by a single funding formula and work is underway to align the payment mechanisms for schools with other providers. The implications of this

are that adjustments based on FTE accessing provision will be made on a termly basis within the financial year, rather than in the following financial year. There may be some cash flow implications for individual schools with fluctuating numbers, although generally school balances are of a level that can accommodate this change. Schools with low balances will be contacted by CYP finance to discuss this change.

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APPENDIX 1:

On securing sufficient childcare, key statutory obligations are:

- Local authorities are obliged to secure funded places offering 570 hours a year over no fewer than 38 weeks of the year for every eligible child aged 2 years in their area from the relevant date; and every child aged 3 and 4 years in their area from the relevant date (the universal entitlement).
This is currently offered and if delivered over the minimum 38 weeks equates to 15 hours per week.
 - Local authorities are obliged to secure an additional 570 funded hours a year over no fewer than 38 weeks of the year for qualifying children aged 3 and 4 years in their area from the relevant date set from September 2017. Eligibility for the additional funded hours will be determined by HMRC (the extended entitlement).
- 3.3 This is the new entitlement for eligible children and if delivered over the minimum 38 weeks equates to 30 hours per week.
- 3.4 The additional 15 hours of free early education and childcare that will become available from September 2017 is for families where both parents are working (or the sole parent is working in a lone-parent family), and each parent earns the equivalent of 16 hours a week (currently £120 per week) at the national minimum or living wage, and earns less than £100,000 a year¹². A family with an annual household income of £199,998 would be eligible if each parent earns just under £100,000.

In addition:

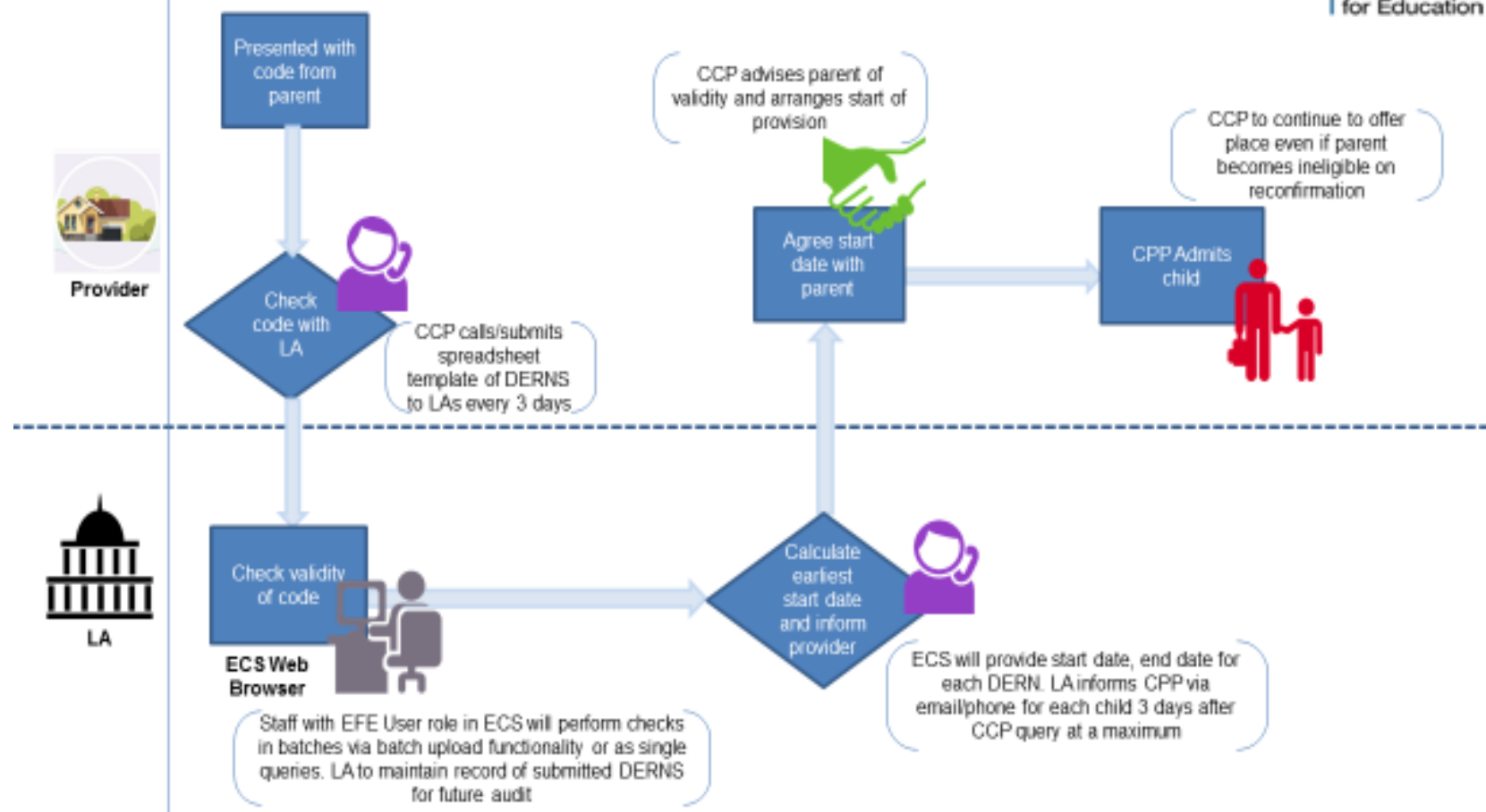
- Self-employed parents and parents on zero-hours contracts will be eligible if they meet the average earnings threshold.
- Both parents are employed but one (or both parents) is temporarily away from the workplace on parental, maternity or paternity leave; and/or adoption leave; and/or temporarily away from work on statutory sick pay will also be eligible.
- Households where one parent is in receipt of benefits relating to caring responsibilities or has a disability and the other parent is working will also be eligible.

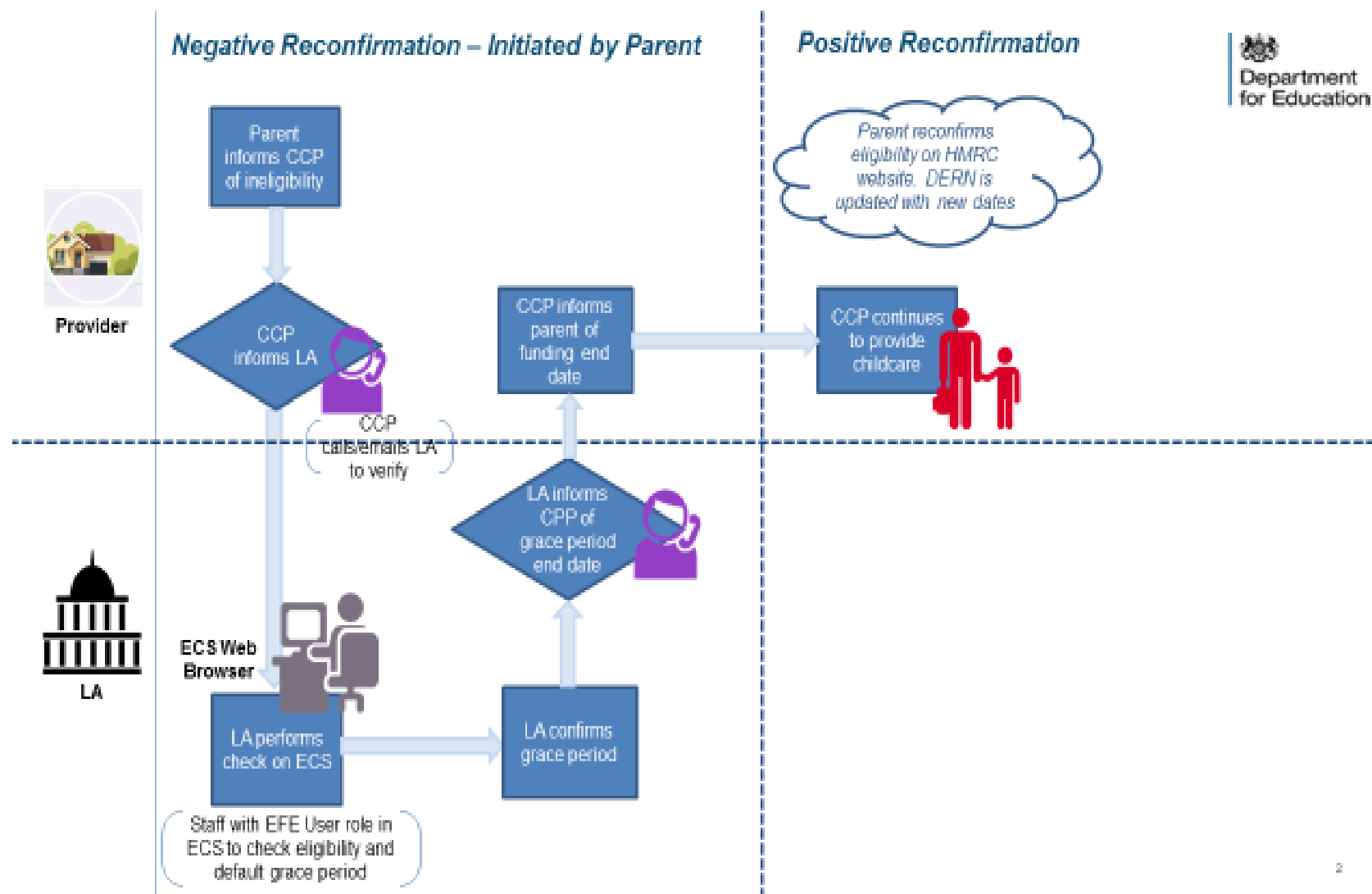
¹ <https://www.gov.uk/government/news/thousands-of-parents-benefit-from-30-hours-free-early-years-early>, 2 February 2016

² A grace period is proposed in the statutory guidance for children becoming eligible or ineligible is that a child becomes ineligible during the first half of a term (up to the first day of the half-term holiday) should be funded until the end of that term; and a child who becomes ineligible in the latter half of the term (up to the first day of the Christmas and Easter holiday or summer holiday) should be funded until the end of the following half-term.

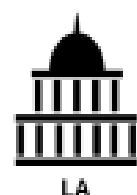
Proposed processes from the DfE

Starting a Place – Web Browser





LA Audit Process – Negative Reconfirmation



LA initiates periodic audit of codes

LA's should have kept a record of all DERNs submitted by CCPs to audit against. Guidance is for this to be done 10 times a year. For the purposes of the trial it will be done in January 2017 at reconfirmation


LA performs check on ECS



 ECS Web Browser

Using the batch upload functionality LA's can submit spreadsheet of codes to check

LA informs CCP of grace period date



CCPs should only be informed about parents who are no longer eligible and are in the grace period. Via phone/email



CCP informs parent of grace period

CCP and parent agrees funding end date

Via any chosen method CCP advises parent of grace period and end date

Parent reconfirms eligibility on HMRC website. DERN is updated with new dates and is reflected in the ECS

APPENDIX 3

MAP OF CHILDCARE PROVISION IN THE BOROUGH

